

Crater Exploration, Inc.

1624 South Pioneer Road
Salt Lake City, Utah 84104
(801) 972-0660

18207 East McDermott, Unit K
Irvine, California 92714
(714) 863-1666

December 18, 1985

RECEIVED
DEC 18 1985

DIVISION OF OIL
& MINING

State of Utah
D. O. G. M.
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180

ATTN: Susan Linner

RE: CATO Property ACT/019/017
Partial Bond Release

Dear Ms. Linner:

After talking to you last Friday, December 13th, concerning the bond release I have gotten in touch with the owners of the property in question and they have written me a letter (see enclosed copy) stating that they are happy with the reclamation of the property and see no need to prolong the release of the bond.

Since by your own admission your workload is somewhat lighter than it used to be, I respectfully request that this matter be handled at your next meeting so our company can make use of these strangled funds in an area which sorely needs them.

Also, enclosed is the yearly report for 1983 which is the only year in which this operation was active, as this project was abandoned at the end of that year. Also, enclosed is a map showing the location of the property, shown as Parcel #3, for your reference.

At this time I see no reason why a field inspection should delay the release of the funds since the property owners have stated their satisfaction with the present state of the reclamation.

Your speedy approval of the bond release will be very much appreciated.

Sincerely,

CRATER EXPLORATION, INC.

Wilford W. Ruf
Wilford W. Ruf
Property Manager

Enclosure

De Oro Company
Monticello, Utah 84535

16 December, 1985

Crater Exploration, Inc.
495 East 4500 South, Suite 101 F
Murray, Utah 84107

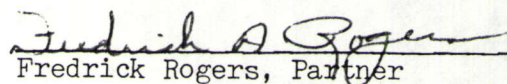
Attn: Wilford Ruf

Dear Wilford:

This is to confirm our telephone conversation of a couple of days ago concerning our Ranch Property at Dewey, Utah known as the Cato Ranch and located in Section 8, T. 23 S., R. 24 E., S.L.B. & M. We are aware that you posted bond for reclaiming the area you worked in 1983.

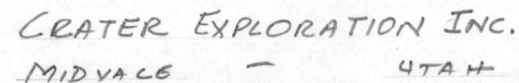
The area in question is located next to the river and has been severely eroded during the last two spring runoffs and, judging from the snowfall so far this season, could very well continue the same pattern. Because of the high susceptibility to erosion of that part of our property we have no plans to include it in our agricultural pursuits and see no reason for you to plant grasses or any other crop as the same kind of plant growth that was there prior to your operation has already established itself again. We, the De Oro Company, therefore see no reason for your bond to continue resting with the State and recommend that it be released to you presently as we are satisfied with the reclamation that has taken place and have no plans to make any further claims upon your Company regarding this property.

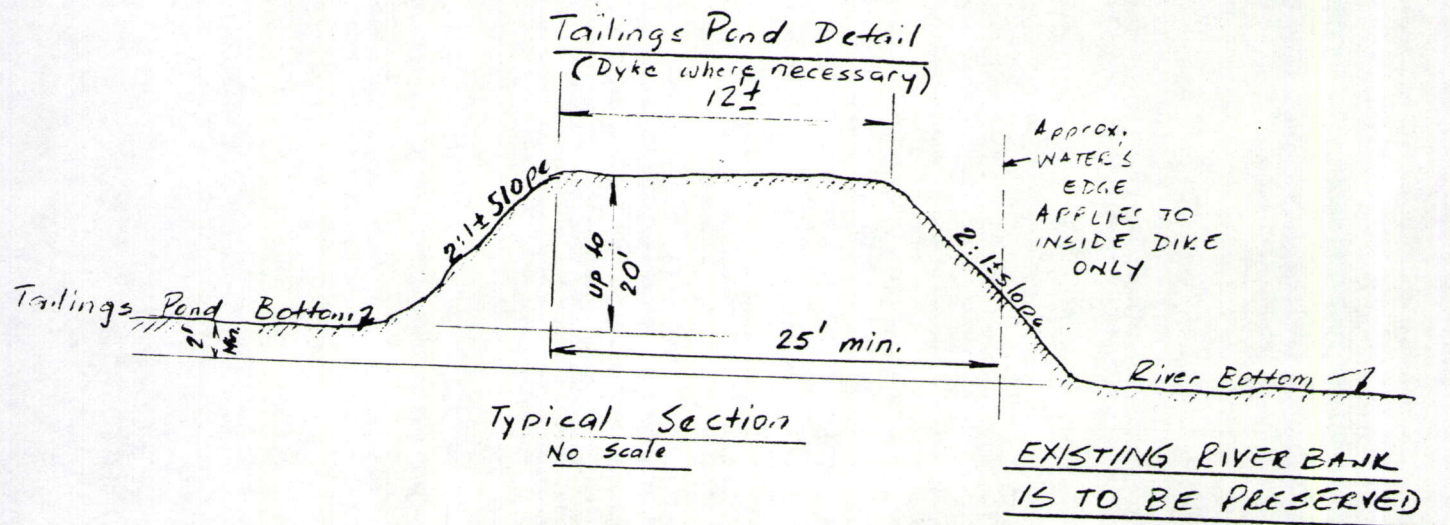
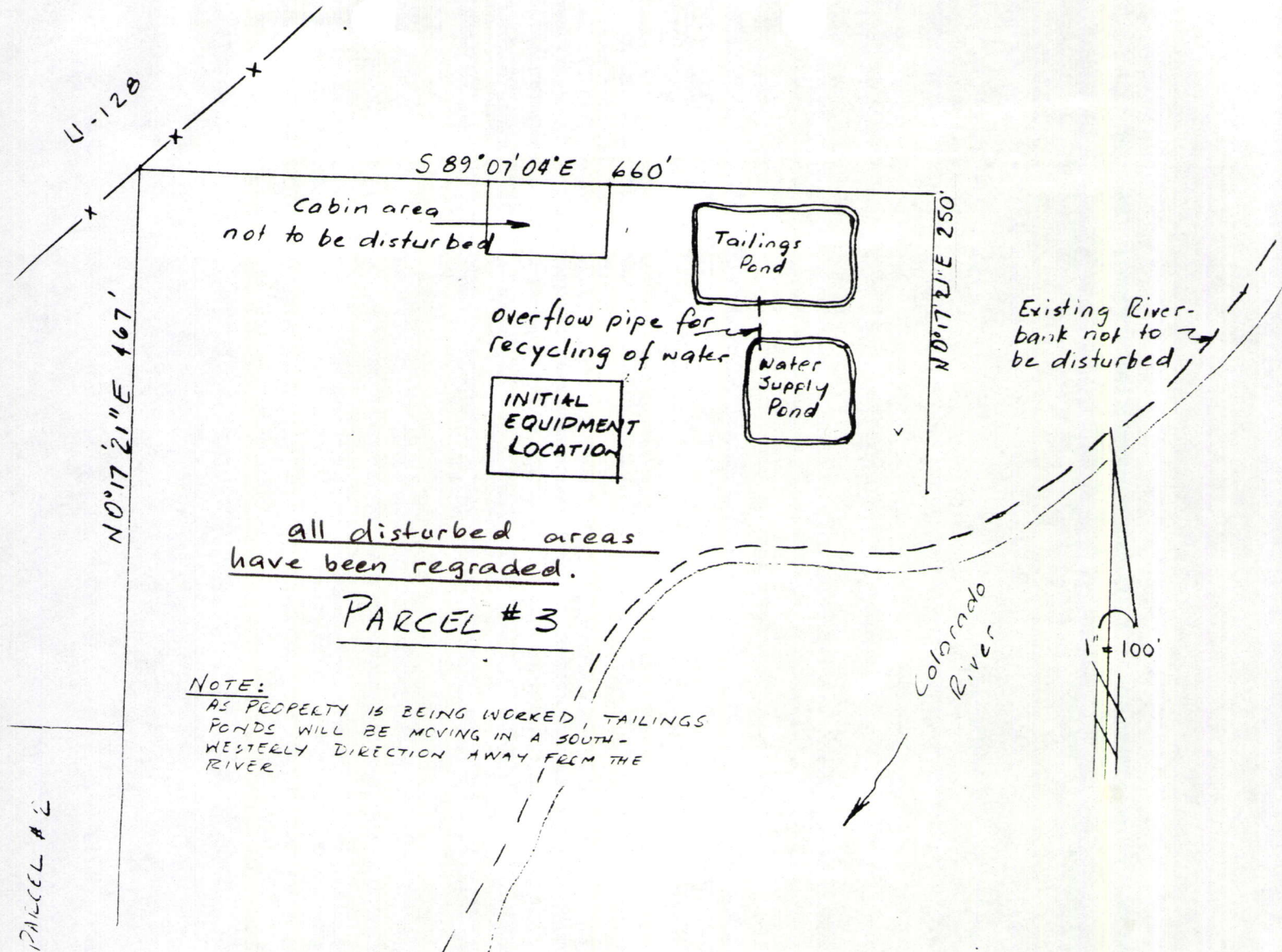
Sincerely,


Fredrick Rogers, Partner
De Oro Company

PROJECTED PARCEL LOCATION:

--- FUTURE PARCELS





CATO PLACER PROPERTY
PROPOSED TAILINGS POND LOCATION
& DIKE CONSTRUCTION DETAILS
CRATER EXPLORATION, INC.

